

CENTRAL INTELLIGENCE AGENCY

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**NORTHEAST, KWANTUNG IMPROVE ECONOMIES**

State enterprises and cooperatives are increasing in the Northeast. Farm products are exported in large quantity in exchange for industrial materials and goods of which there is shortage, thus reducing prices and stimulating agricultural by-products production. In the 3 years since the complete liberation of the Northeast, prices have been stabilized and the price index is only 40 percent above that of 1948. As of March 1949 there were 627 state enterprises in the northeast.

During these 3 years there has been a successful fight against enemy puppet money and a unified currency system has been established. To develop the economy, in the first half of 1949 the government issued a series of bonds, which was oversubscribed by 25 percent.

Communications are developing rapidly. The railways in the whole North-east are restored 88.6 percent. Locomotives have increased since June 1946 by 686 percent. Drawing on Soviet Union experience, in December 1948 the machine-cars and the car-care systems were inaugurated, opening a new page in the reconstruction of the people's railways.

As for private enterprises, for 3 years the CCP has protected and fostered all businesses that help government plans and the people's livelihood, restraining those that were merely speculative. Private business should be encouraged with aid in securing materials and markets. Both laborers and owners should be instructed to seek the interests of both sides. Based on this principle, collective bargaining is recommended.

TA-LIEN STRIVES FOR RECOVERY -- Ta Kung Pao, 19 Aug 49

In both Ta-lien and Lii-shun (Port Arthur), with the help of the GCP and Russian occupation forces, various reconstruction programs have been carried out with great success. From 22 August 1945 to October 1947, the people and the governments in these two cities, working together and working hard, have set their industries on the road to complete recovery.

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The two most important recovery programs carried out by the government in cooperation with the Russian occupation forces during those 2 years were utilization of a large number of workers, unemployed as the result of the Nationalist blockade, in the newly established fish net, handicraft, and leather factories, and standardization of wages according to skill. When the factory did not have enough raw materials to operate all day, the remainder of the day was used for education and training of workers in preparation for the full employment in the future. As the result of those two programs, living conditions of the workers are now improving, and production is also increasing and contributing greatly to the success of various reconstruction programs.

LABOR AND MANAGEMENT SIGN UNION CONTRACT -- Wen-hui Pao, 9 Aug 49

Ta-lien -- The union contract for the glass factory, a subsidiary of the Sino-Soviet Far East Electrical Corporation, limited, was approved on 7 July 1949 and after much study and debate was signed by both labor and management on 8 July 1949. This factory is the first in the area to sign such a contract.

After the basic steps in the drawing up of labor-management contracts in the Ta-lien-Li-shun area had been publicized on 6 June 1949, labor and management held discussions on 13 June 1949 regarding a union contract. On 28 June 1949 a rough draft of the contract was drawn up, and it was accepted on 7 July 1949.

On this occasion, management was represented by the plant manager, A-feng-ch'in-k'o (Chinese approximation of a Russian name) and labor was represented by Liu Fu-shan. Aims to be achieved during the latter half of 1949 are as follows: 8-percent decrease in kiln repair time, 20-percent decrease in expenditures, 36-percent increase in production, 5-percent decrease in production costs, and 60-percent increase in the production of high-grade glass.

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